

## La. lawmakers rebalance hard-hit budget

**AP** Associated Press

By Melinda Deslatte, Associated Press Writer | November 22, 2005

BATON ROUGE, La. --Lawmakers wrapped up a special legislative session Tuesday after rebalancing Louisiana's deficit-riddled budget and creating tax breaks to entice businesses back to hurricane-damaged areas.

Gov. Kathleen Blanco, who got nearly all her initiatives approved during the 17-day session, said she was pleased with lawmakers' work and believed it would send a message to federal officials that Louisiana was helping itself recover from the storms.

Some lawmakers said they were disappointed the governor didn't offer more to help the thousands of people displaced by hurricanes Katrina and Rita.

"I wish we could have done a lot more to help people who are around the country dispersed and who are homeless and without family and without hope," said Democratic Rep. Cedric Richmond, chairman of the Louisiana Legislative Black Caucus.

The biggest-ticket item approved in the session's waning hours was a restructuring of Louisiana's more than \$18 billion budget to account for a \$959 million drop in state tax income after the hurricanes shut down businesses and boosted unemployment rolls by the thousands.

The plan cuts more than \$600 million in spending, slicing mainly health care services and money for public colleges. It also taps the state's "rainy day" fund and uses some surplus money from last year to cope with the budget shortfall.

Borrowing proposals, including plans initially suggested by Blanco, were scrapped. Budget cuts made by the Democratic governor before the session were retained, including the elimination of many lawmakers' local projects.

"We spread out the pain as much as we could," said Democratic Rep. John Alario, chairman of the House Appropriations Committee. "It tells the rest of the country that we have taken care of our business to the extent that we can."

The session was marked by two weeks of bickering over where to cut the budget and, at times, who had the authority to. At one point, the Legislative Black Caucus, a group normally counted by Blanco as an ally, sued to stop cuts she had tried to implement by executive order.

The lawsuit was rendered moot when legislators approved Blanco's cuts.

The governor successfully pushed for a state takeover of New Orleans schools that fail to meet academic standards, wresting power from the city's fractious school board. They could eventually be reopened by the state as charter schools.

Another Blanco-backed proposal, a "tax holiday" temporarily suspending the state's 4 percent sales tax on retail items for individuals, was also approved.

Lawmakers approved a statewide residential building code, including construction regulations for wind speeds and flooding heights, even though opponents argued it could raise the costs on new homes.

Jim Brandt, head of the nonpartisan Public Affairs Research Council, said the overall message sent by the session was positive.

"We handled the budget problem as best we could at this point," Brandt said. He called it "at least a very good faith

effort on our part to get our own house in order." ■

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